

Message Text

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ACTION ARA-10

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SUBJ: CORRUPTION CHARGES AGAINST PRIME MINISTER PINDLING

REF: A. NASSAU 1433 B. NASSAU 1569 C. NASSAU 1573

1. MOTION PROPOSED AT WEDNESDAY HOUSE OF ASSEMBLY SESSION BY INDEPENDENT MP, MICHAEL LIGHTBOURN, TO FORM SELECT COMMITTEE TO INVESTIGATE THE PAST AND ACTUAL PRESENCE OF "PERSONS WHOSE BACKGROUNDS WOULD SUGGEST THAT THEY SHOULD NOT BE ALLOWED TO RESIDE IN THE BAHAMAS" TOUCHED OFF A HEATED DEBATE WHICH LED TO PRIME MINISTER PINDLING'S CHALLENGING LIGHTBOURN TO A FIST FIGHT, DEPUTY PRIME MINISTER HANNA'S HURLING A LEGAL VOLUME AT LIGHTBOURN, AND A TEMPORARY SUSPENSION OF THE SESSION AT THE REQUEST OF THE SPEAKER.

2. IN COURSE OF LIGHTBOURN'S SPEECH, HE SINGLED OUT U.S. CITIZENS ROBERT VESCO, HARRY "THE ROCK" HOFFMAN, AND EDWARD KROCK AS PERSONS COMING WITH HIS DEFINITION OF UNDESIRABLE AND CHARGED THAT THEIR PRESENCE AND PRESENCE OF OTHERS LIKE THEM IN THE BAHAMAS PRODUCED "DAMAGING EFFECT ON THE INVESTMENT CLIMATE". ACCORDING TO LIGHTBOURN, "WE IN RECENT YEARS HAVE HAD IN OUR MIDST PERSONS WANTED BY FOREIGN GOVERNMENTS, PARTICULARLY THE U.S. BY ALLOWING THEM TO STAY, WE ARE GIVING THEM A HAVEN WHERE THEY CAN HIDE OUT." LIGHTBOURN CITED SEVERAL

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CASES WHERE U.S. CITIZENS WERE ALLOWED TO RESIDE IN THE BAHAMAS

EVEN THOUGH THEY WERE INDICTED BY U.S. FOR TAX EVASION AND OTHER CRIMES NOT SUBJECT TO EXTRADITION. FOR THIS REASON, STANDARDS WERE NEEDED BY WHICH TO JUDGE WHETHER IT WAS DESIRABLE TO PERMIT RESIDENCE. LIGHTBOURN ACCUSED BAHAMIAN IMMIGRATION AUTHORITIES OF COMPLICITY, CHARGED THAT CERTAIN "BIG SHOTS" IN THE PLP HAVE RECEIVED 100 PERCENT LOANS FROM THE VESCO-CONTROLLED BAHAMAS COMMONWEALTH BANK" AND STATED THAT "IT HAS BEEN ALLEGED ALSO THAT THE PM'S PURCHASE OF HIS HOUSE WAS FACILITATED BY LOANS FROM CERTAIN VESCO RELATED COMPANIES."

3. INTERRUPTED AND QUESTIONED BY PINDLING, ALREADY ON HIS FEET, TO DEFINE "FACILITATED" LIGHTBOURN RESPONDED THAT "YOU KNOW THAT BETTER THAN ME". AT THIS POINT, LIGHTBOURN WAS INVITED OUTSIDE FOR FIST FIGHT, SPEAKER ADJOURNED MEETING, AND DEPUTY PRIME MINISTER LET FLY BOOK.

4. WHEN SESSION RESUMED, PLP MEMBERS AND PRIME MINISTER BELITTLED LIGHTBOURN MOTION STATING IN EFFECT THAT BAHAMAS WAS IN FACT A TAX HAVEN AND THAT PERSONS LIVING IN TAX HAVENS MIGHT NORMALLY BE EXPECTED TO HAVE PROBLEMS IN THEIR OWN COUNTRIES. ACCORDING TO PINDLING, "THE POLICY OF THE BAHAMAS IS TO CONTINUE TO PROMOTE THE BAHAMAS AS AN INTERNATIONAL FINANCIAL CENTER" AND THAT TO DO OTHERWISE WOULD JEOPARDIZE THE ECONOMY. IN THE COURSE OF HIS RESPONSE, THE PM, ACCORDING TO PRESS REPORTS, ALSO ACCUSED LIGHTBOURN OF BEING MORE INTERESTED IN PROTECTING U.S. THAN BAHAMIAN CITIZENS AND ALLEGEDLY REFERRED TO LIGHTBOURN AS POSSIBLE AGENT OF ONE OF THE MANY AMERICAN REGULATORY BODIES. PRESS ACCOUNTS REPORT PINDLING AS SAYING "NO ONE IN HIS RIGHT MIND WOULD SEEK TO ADD THIS HOUSE TO THE LIST OF THOSE WHO WOULD WISH TO UNDERMINE OUR LAWS," A REFERENCE TO "CONFIDENTIAL INFORMANTS" WHO HAVE BEEN RELEASING CONFIDENTIAL BANKING INFORMATION TO THE IRS AGENTS SINCE 1965. PINDLING FURTHER CHARGED THAT THE LIGHTBOURN MOTION WAS MOTIVATED BY A MISGUIDED INTENTION TO ASSIST A FOREIGN AGENCY OR AGENCIES AGAINST THE GOOD OF THE BAHAMAS.

5. COMMENT: (A) WHILE THERE WAS NEVER ANY CHANCE FOR LIGHTBOURN'S MOTION TO PASS GIVEN PLP OPPOSITION, HIS SPEECH PROVIDED HIM OPPORTUNITY TO SAY IN PUBLIC WHAT HAS LONG AND OPENLY BEEN RUMORED IN NASSAU I.E. THAT PINDLING RECEIVED LIMITED OFFICIAL USE

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POSSIBLY ILLEGAL FINANCIAL ASSISTANCE IN CONSTRUCTING HIS SUMPTUOUS HOUSE. OPPOSITION, INCLUDING INDEPENDENTS, HAS BEEN INCREASINGLY ON THE OFFENSIVE IN BRINGING HOME CORRUPTION ISSUE FOLLOWING RESIGNATION OF PUBLIC WORKS MINISTER BOWE IN WAKE OF CORRUPTION CHARGES (SEE NASSAU 1433). CORRUPTION IS FIRST AND ONLY REAL POPULAR ISSUE THAT OPPOSITION HAS FOUND SINCE INDEPENDENCE AND IT IS LIKELY THAT HEAT WILL INTENSIFY. MOST LOCAL OBSERVERS FEEL THAT ONLY SURFACE HAS

THUS FAR BEEN TOUCHED.

(B) PRIME MINISTER'S IMAGE OF COOL STATESMANSHIP, SO ARDUOUSLY CULTIVATED, HAS SUFFERED FROM INCIDENT AND HIS OBVIOUS SENSITIVITY AND HEATED REACTION TO ACCUSATION WILL BE TAKEN AS PROOF BY SOME THAT THERE IS TRUTH TO RUMOR. PINDLING AND PLP HAVE BEEN PLACED TEMPORARILY IN THE CORNER ON THIS ISSUE AND NOT BEING ACCUSTOMED OR COMFORTABLE ON THE DEFENSIVE, CAN BE EXPECTED TO STRIKE BACK. WHAT FORM THIS WILL TAKE IS NOT YET CLEAR ALTHOUGH ATTEMPT BY PM TO TAR HIS OPPONENT WITH BRUSH OF IRS PROBE CURRENTLY BEING GIVEN HEADLINE PRESS TREATMENT HERE (REFTELS B AND C) IS NOT AUSPICIOUS.

(C) CHARGES BY PINDLING THAT LIGHTBOURN MIGHT BE INVOLVED WITH THOSE ALLEGED TO HAVE BEEN CONFIDENTIAL INFORMANTS IN IRS PROBE AND IMPLICATIONS FOR US SUBJECT SEPTTEL. WEISS

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